Senate

General Assembly **File No. 555**

February Session, 2016 Substitute Senate Bill No. 338

Senate, April 7, 2016

The Committee on Government Administration and Elections reported through SEN. CASSANO, S. of the 4th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING THE FILING OF STATEMENTS OF FINANCIAL INTERESTS UNDER THE STATE CODE OF ETHICS FOR PUBLIC OFFICIALS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Section 1-83 of the 2016 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective January 1, 2017*):

(a) (1) All state-wide elected officers, members of the General Assembly, department heads and their deputies, members or directors of each quasi-public agency, members of the Investment Advisory Council, state marshals and such members of the Executive Department and such employees of quasi-public agencies as the Governor shall require, shall file, under penalty of false statement, a statement of financial interests for the preceding calendar year with the Office of State Ethics on or before the May first next in any year in which they hold such an office or position. If, in any year, May first falls on a weekend or legal holiday, such statement shall be filed not later than the next business day. Any such individual who leaves his or her office or position shall file a statement of financial interests covering that portion of the year during which such individual held his or her office or position. The Office of State Ethics shall notify such individuals of the requirements of this subsection not later than [thirty] sixty days after their departure from such office or position. Such individuals shall file such statement not later than sixty days after receipt of the notification.

(2) Each state agency, department, board and commission shall develop and implement, in cooperation with the Office of State Ethics, an ethics statement as it relates to the mission of the agency, department, board or commission. The executive head of each such agency, department, board or commission shall be directly responsible for the development and enforcement of such ethics statement and shall file a copy of such ethics statement with the Department of Administrative Services and the Office of State Ethics.

(b) (1) The statement of financial interests, except as provided in subdivisions (2) and (3) of this subsection, shall include the following information for the preceding calendar year in regard to the individual required to file the statement and the individual's spouse and dependent children residing in the individual's household: (A) The names of all businesses with which associated; (B) all sources of income, including the name of each employer, with a description of [each source] the type of income received, in excess of one thousand dollars, without specifying amounts of income; (C) the name of securities in excess of five thousand dollars at fair market value owned by such individual, spouse or dependent children or held in the name of a corporation, partnership or trust for the benefit of such individual, spouse or dependent children; (D) the existence of any known blind trust and the names of the trustees; (E) all real property and its location, whether owned by such individual, spouse or dependent children or held in the name of a corporation, partnership or trust for the benefit of such individual, spouse or dependent children; (F) the names and addresses of creditors to whom the individual, the individual's spouse or dependent children, individually, owed debts of more than ten thousand dollars; (G) any leases or contracts with the state or a quasi-public agency held or entered into by the individual or a business with which he or she was associated; and (H) [a description of any partnership, joint ownership or similar business affiliation between (i) a business included under subparagraph (A) of this subdivision with which the individual filing the statement, the individual's spouse or a dependent child of the individual is associated, and (ii) a lobbyist, a] the name of any of the following that is a partner or owner of, or has a similar business affiliation with, the business included under subparagraph (A) of this subdivision: (i) Any lobbyist, (ii) any person [that] the individual filing the statement knows or has reason to know is doing business with or seeking to do business with the state or is engaged in activities that are directly regulated by the department or agency in which the individual is employed, or [a] (iii) any business with which such lobbyist or person is associated.

(2) The statement of financial interests filed by state marshals shall include only amounts and sources of income earned in their capacity as state marshals.

(3) In the case of securities in excess of five thousand dollars at fair market value held within (A) a retirement savings plan, as described in Section 401 of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as amended from time to time, (B) a payroll deduction individual retirement account plan, as described in Section 408 or 408A of said Internal Revenue Code, (C) a governmental deferred compensation plan, as described in Section 457 of said Internal Revenue Code, or (D) an education savings plan, as described in Section 529 of said Internal Revenue Code, the names of such securities shall not be required to be disclosed in any statement of financial [interest] interests and only the name of such retirement savings plan, individual retirement account plan, deferred compensation plan or education savings plan holding

such securities shall be required.

(c) The statement of financial interests filed pursuant to this section shall be a matter of public information, except the list of names, filed in accordance with subparagraph (F) of subdivision (1) of subsection (b) of this section shall be sealed and confidential and for the use of the Office of State Ethics only after a complaint has been filed under section 1-82 and such complaint has been determined by a vote of the board to be of sufficient merit and gravity to justify the unsealing of such list or lists and not open to public inspection unless the respondent requests otherwise. If the board reports its findings to the Chief State's Attorney in accordance with subsection (c) of section 1-88, the board shall turn over to the Chief State's Attorney such relevant information contained in the statement as may be germane to the specific violation or violations or a prosecutorial official may subpoena such statement in a criminal action. Unless otherwise a matter of public record, the Office of State Ethics shall not disclose to the public any such subpoena which would be exempt from disclosure by the issuing agency.

(d) Any individual who is unable to provide information required under the provisions of subdivision (1) of subsection (b) of this section by reason of impossibility may petition the board for a waiver of the requirements.

This act shall take effect as follows and shall amend the following sections:		
Section 1	*January 1, 2017*	1-83

GAE *Joint Favorable Subst.*

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill, which clarifies statement of financial interest reporting requirements with regard to types of income, has no fiscal impact.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis

sSB 338

AN ACT CONCERNING THE FILING OF STATEMENTS OF FINANCIAL INTERESTS UNDER THE STATE CODE OF ETHICS FOR PUBLIC OFFICIALS.

SUMMARY:

By law, if a person is required to file a Statement of Financial Interests (SFI) with the Office of State Ethics (OSE) and leaves his or her position or office, he or she must file a final SFI with OSE that covers his or her activities from the most recently filed SFI until the departure. This bill increases, from 30 days to 60 days, the amount of time after the person's departure that OSE has to notify him or her of the filing requirement. Under existing law, the departing individual must file the SFI within 60 days after receiving notice from OSE.

By law, SFI filers must disclose, among other things, all sources of income exceeding $1,000, without specifying any amounts. The bill clarifies that the filer must also describe the type of income received (e.g., wages or dividends). Lastly, it makes technical changes to the SFI requirements concerning certain business affiliations between the filer and a (1) registered lobbyist, (2) person the filer knows or has reason to know is doing or seeking to do business with the state, or (3) person engaged in activities directly regulated by the filer's department or agency.

By law, a person must file an SFI if he or she is, among other things, a (1) statewide elected officer, legislator, department head or deputy department head, member or director of a quasi-public agency, member of the Investment Advisory Council, or state marshal; (2) member of the Executive Department designated by the governor; or (3) quasi-public agency employee designated by the governor. The SFIs must be filed annually by May 1.

EFFECTIVE DATE: January 1, 2017

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable Substitute
Yea 15 Nay 0 (03/18/2016)